

AN ACT

ENTITLED, An Act to revise certain provisions regarding the taxation of biodiesel and biodiesel blends.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as follows:

Any person who is engaged in the production of biodiesel shall be licensed as a biodiesel producer.

Section 2. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as follows:

The tax imposed on unblended biodiesel pursuant to § 10-47B-9 and not exempted by § 10-47B-19 shall be remitted by the biodiesel producer, supplier, importer, or blender.

Section 3. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as follows:

A biodiesel producer may apply for and obtain a refund of fuel taxes paid to this state for methanol used to produce biodiesel.

Section 4. That § 10-47B-113 be amended to read as follows:

10-47B-113. The blender report required pursuant to § 10-47B-111 shall contain the following information, if deemed necessary by the secretary:

- (1) The number of gallons of gasoline blended with ethyl alcohol to produce ethanol blend or E85;
- (2) The number of gallons of ethyl alcohol blended with gasoline to produce ethanol blend or E85;
- (3) The number of gallons of unblended denatured ethyl alcohol sold, including the tax

exempt sales made to licensed blenders, licensed suppliers for removal from a terminal in this state at the rack as a ten percent ethanol blend, and to a licensed exporter for export to a state for which the exporter is specifically licensed to export;

- (4) The number of gallons of gasoline blended with methyl alcohol to produce M85;
- (5) The number of gallons of methyl alcohol blended with gasoline to produce M85;
- (6) The number of gallons of any other substances blended with motor fuel or special fuel; and
- (7) A schedule of the names and addresses of all sales of blends in quantities of twenty-five gallons or more, except for sales of ten percent ethanol blends;
- (8) The number of gallons of biodiesel, the number of gallons of biodiesel blend, and the number of gallons of special fuel used to make a biodiesel blend; and
- (9) The number of gallons of unblended biodiesel sold, including the tax exempt sales made to licensed blenders, to licensed suppliers for resale, and to licensed exports for export to a state for which the exporter is specifically licensed to export.

Section 5. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as follows:

A tax report credit for special fuel blended with biodiesel to create biodiesel blend shall be allowed to the licensed blender who performs the blending activity. The tax report credit shall be granted on a per gallon basis in the amount that the rate for special fuel exceeds the rate for biodiesel blend. The credit shall be used to off-set any tax liability resulting from the blending of previously untaxed biodiesel.

This credit is extended only for special fuel which is blended with biodiesel and for no other fuel product. The further blending of additional fuel products with a motor fuel, special fuel, or biodiesel blend as defined under this chapter shall cause this credit to be cancelled and the blended product

shall be taxed at the rate of tax for motor fuel and special fuel provided for in § 10-47B-4.

An Act to revise certain provisions regarding the taxation of biodiesel and biodiesel blends.

=====

I certify that the attached Act
originated in the

SENATE as Bill No. 16

Secretary of the Senate
=====

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 16

File No. _____

Chapter No. _____

=====

Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
=====

The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor
=====

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State